

Annexure C

TRANSNET



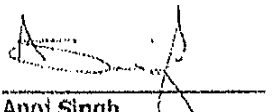
McKinsey Incorporated
88 Stella Street
Sandown Mews East
Sandton
2196

19 November 2013
Reference: LO1/GSM/12/05/0447

Dear Mr. Michael Kloss

**RE: LETTER CONFIRMING A CONFLICT OF INTEREST (NEDBANK CAPITAL) AND THE
RECOMMENDED ALTERNATIVE (REGIMENTS CAPITAL) IN REGARDS TO ADVISORY
SERVICES TO ACQUISITION OF THE 1064 LOCOMOTIVES TENDER OVER A PERIOD
OF 9 MONTHS. REFERENCE NO: GSM/12/05/0447**

1. McKinsey Incorporated (McKinsey) and other members of the consortium was awarded the business to provide advisory advice to Transnet for the Acquisition of the 1064 locomotives.
2. McKinsey was awarded the business and Nedbank Capital (Nedbank) was its partner to provide financing, funding options and deal structures for the acquisition of the 1064 locomotives tender.
3. In May 2013 a potential conflict of interest was raised with McKinsey concerning Nedbank to which a response from McKinsey confirmed the conflict and an alternative solution to provide the services to Transnet was proposed in terms of Regiments Capital to provide the services.
4. The 1064 locomotives tender is entering Phase 2 which will now include the funding and deal structuring work envisaged by Transnet for the Acquisition of the 1064 Locomotives.
5. It is thus in the best interest of Transnet and McKinsey to confirm the proposed alternative of Regiments Capital.
6. This letter serves to confirm Transnet's agreement to McKinsey's request for Regiments Capital to provide the required services in place of Nedbank.


Anoj Singh
Group Chief Financial Officer
Date 19/11/2013

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